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# CENTRAL INTELLIGENCE GROUP

~~INTELLIGENCE REPORT~~

COUNTRY Yugoslavia

DATE:

SUBJECT Yugoslav Petroleum Resources

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PAGES 2  
SUPPLEMENT

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1. Investigation and research in the development of petroleum and coal under the Tito Five Year plan are presently headed by Dr. Vasilej Simic, Chief of the Geological Institute in Belgrade. Simic is about 40 years old and before the war was an assistant at the University of Belgrade. He is now a member of the Communist Party. His main assistant is Maj. Dragotin Prosen, Chief of the Geo-Physics Section of the Military Geographical Institute in Belgrade. The present shortage of trained and experienced geologists and geo-physicists in Yugoslavia, however, greatly complicates Dr. Simic's and Maj. Prosen's task.

## 2. Petroleum:

Production before World War II was very limited in Yugoslavia and did not exceed 1000 tons a year. Petroleum wells in Selnica (16°23'15" E x 46°29'30" N of Gr.), and Peklenica (16°28'30" x 46°29'45" N. of Gr.), were exploited by the Medjmurje Petrol Company which was owned by foreign capital. Since 1000 ton pre-war yearly production was only about one per cent of Yugoslavia's domestic needs, the balance had to be imported. In 1939 the Germans, whose oil experts were personally known to Dragotin Prosen, obtained permission from the Yugoslav government to investigate and exploit the 4000 square kilometer areas south of the Drava river, which included the areas of Lendava and Medjmurje (sic) in the vicinity of Cakovec and Mursko-Sredisce. Thus German capital controlled the Yugoslav companies of Panonija, Uljevik and Bitumen. Through this manipulation, the Germans also gained control of the Bujavica area, near Lipik (17°02'45" E x 45°26'00" N of Gr.) in Croatia which since 1920 had been used by the Yugoslavs to extract methane gas.

3. By means of their investigations, German occupation authorities were able to extract 7000 tons of petroleum during 1944. After the German armistice in 1945, and because of the general disorder in Yugoslavia, the petroleum production dropped to 2000 tons in 1946. B. Andrejev, present Yugoslav mining Minister has been reported to have stated officially, however, that the Yugoslav petroleum production in 1947 would reach a total of 15,000 tons, and in accordance with the Five Year plan by 1951 should reach a yearly production of 500,000 tons.

4. Broad tertiary veins leading from Slovenia to the Rumanian border show definite traces of oil deposits and methane gas at the Prekmurje, Podravje (sic) and

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Moslavina-Pozega areas, which include the pits at Mikleuska, Gajilo, Ugljenik, Bujavica, Novska, Garuvar. The mountain areas in Majevisa and Crmnica in the vicinity of Tuzla, Bosnia, as well as the vicinity of Aleksinac, Nisava and Pirot, Serbia, show signs of stonite and bituminous veins which are indications of oil deposits.

5. The following areas have been investigated and developed previous to the Five Year plan:

- a) The Mikleuska (16°42'40" E x 45°33'00" N of Gr.) oil pits which were first developed in 1890, were drilled during World War II by German oil experts. Also at the same time, they investigated the oil pits in the village of Uljanik, 15 kilometers SW of Garuvar, which is one of the oldest Yugoslav oil pits from which the village derived its name (Ulje: oil).
- b) The mountain region, Majevisa, north of Tuzla, containing oil was investigated during the summer of 1940 by a gravi-metrical group of the Military Geographical Institute of Belgrade under the direction of Prosen. They could not complete their studies and findings, however, because of the outbreak of the German-Yugoslav war on 6 April 1941. Gravi-metrical details by which structure of the earth layers were determined were later forwarded and assembled for the "administration of the Yugoslav State Monopolio" and for the "Ministry of Forestry and Mines". This survey was executed with the help of torsional scales and Sternek's pendulum.
- c) During World War II, German experts undertook gravi-metrical surveys in the vicinity of Novska but did not start experimental drilling. This area is of the same geological structure as the ground in Mikleuska, Gajilo and Bujavica.
- d) In 1933, Teslic (fnu), a Yugoslav industrialist, discovered methane gas in the vicinity of Sisak near Caprag, Croatia, which since then has been exploited.
- e) Preliminary research before World War II located petroleum deposits in the Drim Valley between Debar and Ohrid. This area, close to the Albanian border and believed to be connected with the Albanian oil areas, is also included in the Five Year oil and methane research plan.

6. Yugoslav oil experts are very skeptical about the anticipated production of 500,000 tons of oil by 1951 because of the present difficulty in obtaining technical facilities like drilling machinery, etc.. Furthermore, the oil refinery near the Tezno Aircraft Factory at Maribor which operated during World War II is now producing only 1000 tons of fuel per year. The Romma oil refinery at Fiume, which is at present considered one of the largest in Yugoslavia, was 70% destroyed during the German evacuation. Although it has gradually been repaired, the Distillation Department just began operating in January 1947, and the Pressure Distillation Section on 1 July 1947. According to future plans the Romma Refinery is scheduled to reach its pre-war capacity on 1 January 1948 in spite of the fact that it is not completely reconstructed as yet. The Tito Five Year plan anticipates an increase of 50,000 tons, or 100% increase in Romma Refinery's pre-war production. Furthermore, construction of refineries planned within this period might increase Yugoslav oil production an additional 200,000 tons, which would make its total production 300,000 but most certainly not 500,000 as anticipated by B. Andrejev.

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